

2011 DRAFTING REQUEST

Bill

Received: 02/29/2012

Received By: mgallagh

Wanted: As time permits

Companion to LRB:

For: Julie Lassa (608) 266-3123

By/Representing: Mark K.

May Contact:

Drafter: mgallagh

Subject: Econ. Development - bus. dev.
Econ. Development - misc.

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: Sen.Lassa@legis.wisconsin.gov

Carbon copy (CC:) to: michael.gallagher@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Grants to certified seed incubator funds

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mgallagh 03/01/2012	jdye 03/06/2012		_____			
/1			phenry 03/06/2012	_____	sbasford 03/06/2012	lparisi 03/13/2012	

FE Sent For:

<END>

→ Not
Needed

2011 DRAFTING REQUEST

Bill

Received: **02/29/2012**

Received By: **mgallagh**

Wanted: **As time permits**

Companion to LRB:

For: **Julie Lassa (608) 266-3123**

By/Representing: **Mark K.**

May Contact:

Drafter: **mgallagh**

Subject: **Econ. Development - bus. dev.**
Econ. Development - misc.

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Lassa@legis.wisconsin.gov**

Carbon copy (CC:) to: **michael.gallagher@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Grants to certified seed incubator funds

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mgallagh 03/01/2012	jdye 03/06/2012		_____ _____			
/1			phenry 03/06/2012	_____ _____	sbasford 03/06/2012		

FE Sent For:

<END>

2011 DRAFTING REQUEST

Bill

Received: 02/29/2012

Received By: **mgallagh**

Wanted: **As time permits**

Companion to LRB:

For: **Julie Lassa (608) 266-3123**

By/Representing: **Mark K.**

May Contact:

Drafter: **mgallagh**

Subject: **Econ. Development - bus. dev.**
Econ. Development - misc.

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Lassa@legis.wisconsin.gov**

Carbon copy (CC:) to: **michael.gallagher@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Grants to certified seed incubator funds

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mgallagh	1 3/6 jld	3/6 pr	pk/as			

FE Sent For:

<END>

Gallagher, Michael

From: Knickelbine, Mark
Sent: Monday, February 27, 2012 2:34 PM
To: Gallagher, Michael
Subject: Seed incubator fund drafting instructions

Michael –

We need the following bill drafted ASAP:

WEDC is required to commit **\$3 million per year** from its current GPR appropriation to at least one certified seed incubator fund. WEDC may certify a person as a certified seed incubator fund if the authority determines that the person operates a business incubator program in Wisconsin that provides certain services to start-up businesses that are designed to encourage the growth of those businesses, and the person either owns sufficient capital, or has obtained sufficient commitments from other funding sources, to enable the person to invest \$3 million in start-up businesses included in the seed incubator fund within 5 years after the person becomes a certified seed incubator fund.

An application for certification will include the name, address and tax identification of the person applying and any other information WEDC requires.

WEDC may certify an applicant to receive a seed incubator grant if it determines that the applicant operates a business incubator program that is privately funded and that directly provides at least two of the following services to start-up businesses:

1. A facility that offers rent of the facility at a rate lower than the market rate in the community and provides shared administrative services or other assistance designed to reduce the costs and encourage the growth of a start-up business the facility serves.
2. Business management, technical, or marketing assistance.
3. Development of a feasibility study, business plan, or financial plan.

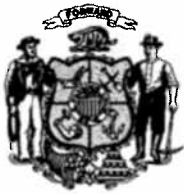
Before the Authority invests in a certified seed incubator fund, WEDC will contract with the fund, and in addition to any other terms required by the Authority, that contract shall include the following requirements.

1. The certified seed incubator fund must be headquartered in Wisconsin and employ at least 50 percent of its employees in Wisconsin.
2. The certified seed incubator fund must invest 100 percent of grant monies that it receives under the program in businesses the certified seed incubator fund itself serves through its business incubator program, and the businesses must receive those investments as part of the program.
3. The seed incubator fund must at least match the amount of grant moneys it invests in a start-up business that the certified seed incubator fund has raised from other sources.
4. The certified seed incubator fund must report annually to WEDC by January 31 the businesses in which the certified seed incubator held an investment of grant moneys from the fund, and a description of the businesses participation in the certified seed incubator fund's seed incubator program. WEDC must include this information in its statutorily required annual report.
5. The certified seed incubator fund may not apply the amount of the grant moneys it receives toward an angel or early stage seed investment tax credit.

In certifying seed incubator funds, WEDC will attempt, insofar as is feasible, to achieve a balance of incubator locations throughout the state, as well as incubators that serve businesses owned by veterans, women and minorities.

Let me know if you have questions. Thanks!

Mark Knickelbine
Office of State Senator Julie Lassa
608 266 3123



By Trcs. 3/6 Trank S

State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-4215

MPG: A:...

jcd

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Gen

1 AN ACT ...; relating to: grants to certified seed incubator funds. ✓

Analysis by the Legislative Reference Bureau

Under current law, the Wisconsin Economic Development Corporation (WEDC) administers various economic development programs in this state. This bill creates a new grant program administered by WEDC. Under the bill, WEDC is required to make grants that total at least \$3,000,000 to certified seed incubator funds. WEDC is to pay those grants from an existing appropriation for WEDC's economic development programs. ✓

*

WEDC may certify a person as a certified seed incubator fund if WEDC determines that the person operates a business incubator program that provides certain services to start-up businesses that are designed to encourage the growth of those businesses, and the person demonstrates to WEDC's satisfaction that the person owns cash or cash equivalents, or has obtained cash commitments from other funding sources, sufficient to enable the person to invest at least \$3,000,000 in start-up businesses within 5 years after the person becomes a certified seed incubator fund. ✓

*

Under the bill, a certified seed incubator fund must agree to maintain its headquarters in Wisconsin and employ at least 50 percent of its employees in Wisconsin. The bill requires a certified seed incubator fund to invest 100 percent of the grant moneys that it receives from WEDC in a business that the certified seed incubator fund itself serves through its business incubator program. Also, the certified seed incubator fund must at least match the amount of grant moneys it receives from WEDC with an investment of capital in the business that the certified seed incubator fund has raised from other sources. ✓

*

Finally, the bill includes a requirement that a certified seed incubator fund that receives a grant from WEDC under the bill submit an annual report to WEDC that includes, for each business in which the certified seed incubator fund held an investment of grant moneys from WEDC, a description of the business and a description of the business's participation in the certified seed incubator fund's seed incubator program. Likewise, WEDC is required ~~shall~~ submit that information with its annual report to the joint legislative audit committee and the legislature. ^{to}

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

→ SECTION #. CR; 238.155

1 **238.155 Grants to certified seed incubator funds.** (1) DEFINITION. In this
2 section, "certified seed incubator fund" means a person certified by the corporation
3 under sub. (4).

4 (2) ESTABLISHMENT OF GRANT PROGRAM. (a) The corporation shall establish an
5 economic development program to make grants under this section.

6 (b) From the appropriation under s. 20.192 (1) (a), the corporation shall make
7 grants to certified seed incubator funds that total at least \$3,000,000 annually for
8 investment in start-up businesses, as determined by the corporation.

9 (3) APPLICATION. Any person may apply to the corporation, on a form prescribed
10 by the corporation, for certification under sub. (4). The application shall include the
11 name, address, and tax identification number of the person and any other
12 information the corporation requires.

13 (4) CERTIFICATION. The corporation may certify an applicant who submits an
14 application under sub. (3) to receive a grant under this section if the corporation
15 determines that the applicant meets all of the following requirements:

16 (a) The applicant operates a business incubator program in this state that is
17 privately funded and that directly provides at least 2 of the following services to

18 (a) start-up business ^{plain} that are designed to grow that business:

1 1. A facility that offers rent of the facility at a rate lower than the market rate
2 in the community and provides shared administrative services or other assistance
3 designed to reduce the costs and encourage the growth of a start-up business the
4 facility serves.✓

5 2. Business management, technical, or marketing assistance.✓

6 3. Development of a feasibility study, business plan, or financial plan.✓

7 (b) The applicant owns at least \$3,000,000✓ in cash or cash equivalents, or the
8 applicant demonstrates to the satisfaction of the corporation that the applicant has
9 obtained commitments from other funding sources sufficient to enable the applicant
10 to invest at least \$3,000,000✓ in start-up businesses within the 5✓ years after the
11 corporation certifies the applicant under this subsection.✓

12 (5) CONTRACTS.✓ Before the corporation makes a grant under this✓ section to a
13 certified seed incubator fund,✓ the corporation shall contract with the✓ certified seed
14 incubator fund, and in addition to any other terms required by the corporation, that
15 contract shall include the following requirements:

16 (a) The certified seed incubator fund shall be headquartered in this state and
17 employ at least 50✓ percent of its employees in this state.

18 (b) The certified seed incubator fund shall invest 100✓ percent of the amount of
19 any grant it receives from the corporation under this section✓ in a business that is
20 participating in a business incubator program that is operated by the certified seed
21 incubator fund and that receives the investment under this paragraph✓ as part of that
22 program.

23 (c) When the certified seed incubator fund makes an investment of grant
24 moneys in a business, the certified seed incubator fund✓ shall at least match the

1 amount of those grant moneys with an investment of capital in the business that the
2 certified seed incubator fund has raised from other sources.✓

3 (d) The certified seed incubator fund may not apply the amount of the grant
4 moneys it receives from the corporation toward a tax credit under s. 71.07✓(5b) or (5d),
5 71.28✓(5b), 71.47 (5b)✓, or 76.638.✓

6 (6) REPORTING REQUIREMENTS.✓ (a) By January 31✓ of each year, a certified seed
7 incubator fund that receives a grant under this section✓ shall submit a report to the
8 corporation that includes, for each business in which the certified seed incubator
9 fund held an investment of grant moneys from corporation,✓ a description of the
10 business and a description of the business's✓ participation in the certified seed
11 incubator fund's seed incubator program.

12 (b) The corporation shall submit the information it receives under par. (a) with
13 its annual report under s. 238.07 (2).✓

14 (END)

Parisi, Lori

From: Knickelbine, Mark
Sent: Tuesday, March 13, 2012 4:20 PM
To: LRB.Legal
Subject: Draft Review: LRB 11-4215/1 Topic: Grants to certified seed incubator funds

Please Jacket LRB 11-4215/1 for the SENATE.